## ABSTRACT OF THE INVENTION

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There is disclosed, a process for lactonization to produce highly pure simvastatin of Formula I

Formula I

which comprises lactonization of a compound of Formula II

Formula II

where Z is H or NH₄ in a mixture of acetonitrile and glacial acetic acid under anhydrous conditions at a temperature of 65-70°C₂and wherein the dimer impurity of Formula III formed is less than 0.1% and thereafter adding water to the reaction mixture, thereby causing simvastatin of Formula I to precipitate from the reaction mixture.

Formula III -